



**MEDI LIFESTYLE LIMITED
AND ITS SUBSIDIARIES**

Company Registration No: 201117734D

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER (“2Q2022”) AND HALF YEAR (“HY2022”)
ENDED 30 JUNE 2022**

In view of the disclaimer of opinion on going concern assumption issued by the Company’s independent auditors, Mazars LLP, on the audited financial statements of the Group for the financial ended 31 December 2021, the Company is required by the Singapore Exchange Securities Trading Limited (“Exchange”) to announce its quarterly financial statements pursuant to Catalyst Rule 705.

Contents

	Page
A. Condensed interim consolidated statement of profit or loss and other comprehensive income	2
B. Condensed interim statements of financial position	3
C. Condensed interim statements of changes in equity	4
D. Condensed interim consolidated statement of cash flows	5
E. Notes to the condensed interim consolidated financial statements	6
F. Other information required by Catalist Rule Appendix 7C	17

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Note	3 months ended 30 June ("2Q")			6 months ended 30 June ("HY")		
		2Q2022 RM'000 (Unaudited)	2Q2021 RM'000 (Unaudited)	Change + / (-) %	HY2022 RM'000 (Unaudited)	HY2021 RM'000 (Unaudited)	Change + / (-) %
Revenue	4	714	302	136.4	1,334	409	226.2
Cost of sales		(507)	(235)	115.7	(1,048)	(343)	205.5
Gross profit		207	67	209.0	286	66	333.3
Other operating income		136	-	n.m.	287	3	n.m.
Administrative expenses		(1,352)	(1,096)	23.4	(2,853)	(2,123)	34.4
Exchange loss		(147)	(17)	764.7	(105)	(59)	78.0
Other operating expenses		(3)	(1,848)	(99.8)	(3)	(1,848)	(99.8)
Finance costs		(86)	(129)	(33.3)	(182)	(178)	2.2
Loss before tax	5	(1,245)	(3,023)	(58.8)	(2,570)	(4,139)	(37.9)
Income tax		-	-	-	-	-	-
Loss for the period from continuing operations		(1,245)	(3,023)	(58.8)	(2,570)	(4,139)	(37.9)
Discontinued Operations							
Loss for the period from discontinued operations	6	-	(2,173)	n.m.	-	(4,032)	n.m.
Loss for the period		(1,245)	(5,196)	(76.0)	(2,570)	(8,171)	(68.5)
Other comprehensive (loss)/income, net of tax							
- Exchange differences on translation of foreign operations		(100)	11	n.m.	(164)	26	n.m.
Total comprehensive loss for the period, net of tax		(1,345)	(5,185)	(74.1)	(2,734)	(8,145)	(66.4)
Total loss attributable to:							
Owners of the Company							
- Continuing operations		(1,245)	(3,023)	(58.8)	(2,570)	(4,139)	(37.9)
- Discontinued operations		-	(2,173)	n.m.	-	(4,032)	n.m.
Non-controlling interests							
- Continuing operations		-	-	-	-	-	-
		(1,245)	(5,196)	(76.0)	(2,570)	(8,171)	(68.5)
Total comprehensive loss attributable to:							
Owners of the Company		(1,345)	(5,185)	(74.1)	(2,734)	(8,145)	(66.4)
Non-controlling interests		-	-	-	-	-	-
		(1,345)	(5,185)	(74.1)	(2,734)	(8,145)	(66.4)
Loss per share for the period attributable to owners of the Company							
Basic (Malaysia sen)		(0.23)	(1.02)		(0.46)	(1.63)	
Diluted (Malaysia sen)		(0.23)	(1.02)		(0.46)	(1.63)	

n.m. denotes not meaningful

Note: The financial statements for 2Q2021 and HY2021 have been presented after reclassifying HealthPro Pte Ltd under discontinued operations after placing it under provisional liquidation on 29 July 2021. The voluntary liquidation and appointment of a liquidator was approved at an extraordinary general meeting and a meeting of creditors on 27 August 2021.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Company		Group	
		As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)	As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)
Current assets					
Cash and bank balances		210	418	317	1,218
Trade receivables	7	-	-	1,123	494
Other receivables and prepayments	8	906	153	822	968
Inventories		-	-	40	47
		<u>1,116</u>	<u>571</u>	<u>2,302</u>	<u>2,727</u>
Non-current assets					
Property, plant and equipment	9	-	-	218	157
Right-of-use assets	10	-	-	514	946
Intangible assets	11	-	-	200	200
Subsidiaries		5,569	5,434	-	-
		<u>5,569</u>	<u>5,434</u>	<u>932</u>	<u>1,303</u>
Total assets		<u>6,685</u>	<u>6,005</u>	<u>3,234</u>	<u>4,030</u>
Current liabilities					
Trade payables		-	-	14	31
Other payables and other provisions	12	2,205	839	7,434	4,860
Borrowings	13	2,626	2,438	2,626	2,438
Lease liabilities	14	-	-	1,081	1,358
Contract liabilities		-	-	96	79
Income tax payable		-	-	34	34
		<u>4,831</u>	<u>3,277</u>	<u>11,285</u>	<u>8,800</u>
Non-current					
Lease liabilities	14	-	-	619	1,159
		<u>-</u>	<u>-</u>	<u>619</u>	<u>1,159</u>
Total liabilities		<u>4,831</u>	<u>3,277</u>	<u>11,904</u>	<u>9,959</u>
Capital and reserves					
Share capital		126,149	126,156	126,149	126,156
Treasury shares		(38)	(38)	(38)	(38)
Currency translation reserve		180	123	(142)	22
Capital reserve		3,893	3,893	3,893	3,893
Accumulated losses		(128,330)	(127,406)	(138,532)	(135,962)
Equity attributable to owners of the Company		<u>1,854</u>	<u>2,728</u>	<u>(8,670)</u>	<u>(5,929)</u>
Non-controlling interests		-	-	-	-
Net equity / (capital deficiency)		<u>1,854</u>	<u>2,728</u>	<u>(8,670)</u>	<u>(5,929)</u>
Total liabilities and equity		<u>6,685</u>	<u>6,005</u>	<u>3,234</u>	<u>4,030</u>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Company

	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Capital reserve (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
At 1 January 2022	126,156	(38)	(127,406)	3,893	123	2,728
Total comprehensive loss for the period	-	-	(924)	-	57	(867)
Transaction with owners:						
Capitalised expenses	(7)	-	-	-	-	(7)
At 30 June 2022	126,149	(38)	(128,330)	3,893	180	1,854

Company

	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Capital reserve (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
At 1 January 2021	119,718	(38)	(106,065)	3,526	(69)	17,072
Total comprehensive loss for the period	-	-	(978)	-	218	(760)
Transaction with owners:						
Increase in paid-up capital	1,542	-	-	-	-	1,542
Capitalised expenses	(49)	-	-	-	-	(49)
At 30 June 2021	121,211	(38)	(107,043)	3,526	149	17,805

Group

	Share capital (RM'000)	Treasury shares (RM'000)	Retained earnings (Accumulated losses) (RM'000)	Capital reserve (RM'000)	Currency translation reserve (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total equity (RM'000)
At 1 January 2022	126,156	(38)	(135,962)	3,893	22	(5,929)	-	(5,929)
Loss for the year	-	-	(2,570)	-	-	(2,570)	-	(2,570)
Other comprehensive income								
- Currency translation difference arising from consolidation	-	-	-	-	(164)	(164)	-	(164)
Transaction with owners:								
Capitalised expenses	(7)	-	-	-	-	(7)	-	(7)
At 30 June 2022	126,149	(38)	(138,532)	3,893	(142)	(8,670)	-	(8,670)

Group

	Share capital (RM'000)	Treasury shares (RM'000)	Retained earnings (Accumulated losses) (RM'000)	Capital reserve (RM'000)	Currency translation reserve (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total equity (RM'000)
At 1 January 2021	119,718	(38)	(112,238)	3,526	(3,360)	7,608	-	7,608
Loss for the year	-	-	(8,171)	-	-	(8,171)	-	(8,171)
Other comprehensive income								
- Exchange difference on translating foreign operations	-	-	-	-	26	26	-	26
Transaction with owners:								
Increase in paid-up capital	1,542	-	-	-	-	1,542	-	1,542
Capitalised expenses	(49)	-	-	-	-	(49)	-	(49)
At 30 June 2021	121,211	(38)	(120,409)	3,526	(3,334)	956	-	956

D. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Group	3 Months ended 30 June ("2Q")		6 Months ended 30 June ("HY")	
	2Q2022 RM'000 (Unaudited)	2Q2021 RM'000 (Unaudited)	HY2022 RM'000 (Unaudited)	HY2021 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax:				
- Continuing operations	(1,245)	(3,023)	(2,570)	(4,139)
- Discontinued operations	-	(2,173)	-	(4,032)
	(1,245)	(5,196)	(2,570)	(8,171)
Adjustments for:				
Depreciation of property, plant and equipment	15	24	25	37
Depreciation of right-of-use assets	121	1,386	264	2,735
Loss on termination of lease	3	-	3	-
Impairment of goodwill	-	1,840	-	1,840
Interest expenses	86	207	182	351
Operating loss before working capital changes	(1,020)	(1,739)	(2,096)	(3,208)
Inventories	5	(3)	7	(2)
Trade and other receivables and prepayments	(186)	(66)	(459)	(223)
Contract liabilities	(12)	-	15	(8)
Trade and other payables and other provisions	1,702	602	2,422	413
Cash generated from/(used in) operating activities	489	(1,206)	(111)	(3,028)
Net cash generated from/(used in) operating activities	489	(1,206)	(111)	(3,028)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(58)	(8)	(85)	(67)
Net cash used in investing activities	(58)	(8)	(85)	(67)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of lease liability	(345)	(1,477)	(712)	(2,920)
Convertible Loans	-	52	-	5,095
Net proceeds from issuance of ordinary shares	-	1,542	-	1,542
Capitalised transaction costs on issuance of ordinary shares	(7)	(50)	(7)	(49)
Net cash (used in)/ generated from financing activities	(352)	67	(719)	3,668
Net increase/(decrease) in cash and cash equivalents	79	(1,147)	(915)	573
Cash and cash equivalents at beginning of the period	227	2,228	1,218	496
Currency translation difference of cash and cash equivalents at beginning of the period	11	(7)	14	5
Cash and cash equivalents at end of period	317	1,074	317	1,074
<i>Cash and bank balances comprise:</i>				
Cash and bank balances	317	816	317	816
Cash and bank balance held in liquidation	-	258	-	258
Cash and cash equivalents at end of period	317	1,074	317	1,074

E. SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate and group information

Medi Lifestyle Limited (formerly known as IEV Holdings Limited) (the “**Company**”) (Registration No. 201117734D) is incorporated in Singapore with its principal place of business at 380 Jalan Besar, #09-05 ARC 380, Singapore 209000 and registered office at 80 Robinson Road #02-00, Singapore 068898. Its shares are publicly traded on the Catalist board of the Singapore Exchange.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are in the Healthcare and Wellness sector. The financial results presented under continuing operations for the three months (“**2Q2022**”) and six months (“**HY2022**”) ended 30 June 2022 comprise of (i) the Healthcare and Wellness sector which includes 2 postpartum care centres as well as 1 chiropractic and physiotherapy centre in Malaysia; and (ii) Outsourced services in Malaysia and Singapore including human resource recruitment and payroll, event management and IT support services.

During the financial year ended 31 December 2021, the voluntary liquidation of HealthPro Pte Ltd and appointment of a liquidator was approved at an extraordinary general meeting and a meeting of creditors on 27 August 2021, whereupon the subsidiary was reclassified under discontinued operations and its assets and liabilities being held under liquidation were de-consolidated from the Group’s condensed interim financial statements. In addition, HealthPro Group (S) Pte Ltd and HealthPro Group (M) Sdn Bhd had entered into Share Sale Agreements to fully acquire Impact BPO Services Pte Ltd and Impact BPO Sdn Bhd respectively, with effect from 1 October 2021. Both these newly acquired and wholly-owned subsidiaries are principally engaged in outsourced support and recruitment services in Singapore and Malaysia. The Group had also on 31 December 2021, received approval from the Accounting and Corporate Regulatory Authority of Singapore and completed the strike off of its wholly-owned subsidiary, IEV Energy Investment Pte. Ltd.

2. Basis of preparation

The condensed interim financial statements for 2Q2022 and HY2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial statements for the twelve months ended 31 December 2021.

The interim statements of financial position of the Company and its subsidiaries as at 30 June 2022 and related interim consolidated profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for 2Q2022 and HY2022 and certain explanatory notes have not been independently audited or reviewed.

Except as disclosed in Note 2.1 below, the Group has applied the same accounting policies and methods of computation in the financial statements for current financial period reported on, as those applied in the Group’s most recently audited financial statements for the financial year ended 31 December 2021, which were prepared in accordance with Singapore Financial Reporting Standards (International).

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates its functional currency. The functional currency of the Company is Singapore Dollar (“**S\$**”) while the consolidated financial statements of the Group and the statement of financial position and changes in equity of the Company are presented in Malaysia Ringgit (“**RM**”).

2.1 New and amended standards adopted by the Group

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) and SFRS(I) Interpretations (“**SFRS(I) INTs**”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2022, where applicable. The adoption of these standards from the effective date has not resulted in material adjustments to the financial position, results of operations or cash flows of the Group for 2Q2022 and HY2022. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgement

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions about the carrying amount of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors considered to be reasonable under the circumstances. Actual results may differ from these estimates.

Other than the following disclosure, there are no critical judgement made by management in the process of applying the Group's accounting policies which may have the most significant effect on the amounts recognised in the financial statements.

Impairment of investment in subsidiaries

Management exercises their judgement in estimating recoverable amounts of its investment in subsidiaries of the Company. The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, management needs to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

Calculation of loss allowance for trade and other receivables

When measuring expected credit loss ("ECL") the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

2.3 Going concern assumption

As at 30 June 2022, the Group's current liabilities exceeded its current assets by RM9.0 million. In addition, the Group incurred a net loss of RM2.6 million and net operating cash outflow of RM0.1 million for the half year ended 30 June 2022. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. To support the financial statements having been prepared on a going concern basis and to ensure the adequacy of funds required to meet its obligations, working capital and capital commitment needs, the Group prepared a 12-month consolidated cash flow forecast from 1 July 2022 ("**Cash Flow Forecast**"). In preparing the Cash Flow Forecast, the management has taken the followings into consideration:

- (i) New capital to be raised of up to S\$3.0 million which may be in equity, debt or combination thereof, to finance capital outlays set out in (ii) below and to repay convertible loans with principal sum of S\$0.65 million and accumulated interest;
- (ii) The Group plans to spend on capital outlays of up to S\$0.5 million, subject to sufficient funds being raised, which are required for the renovation of the confinement centre at Mines2 in the Klang Valley region and two new chiropractic and physiotherapy, and such a sum is not yet contractually committed. The confinement centre is expected to commence operations by fourth quarter 2022 whilst chiropractic and physiotherapy centres are to commence operations over the course of 2022; and
- (iii) Letters of undertaking have been obtained from creditors, to not demand repayment of the amounts owing to them of approximately RM1.6 million until resources permit.

2.4 Board's comments on going concern assumption

In the assessment of Group's going concern, the Board has considered the followings:

- (a) the Cash Flow Forecast prepared by management, including estimated earnings from the Healthcare Sector and the Outsourced Services Sector;
- (b) planned fund-raising of up to S\$3.0 million which may be in equity, debt or combination thereof, to finance capital outlays elaborated in Para 2.3(iii) above and to repay convertible loans with principal sum of S\$0.65 million and accumulated interest;

- (c) as part of the planned fund-raising in (b) the issuance and allotment of 44,247,788 new Company ordinary shares on 19 July 2022 at an issue price of S\$0.0113 for each ordinary share for a cash consideration of S\$0.5 million;
- (d) letter of undertaking from creditors to not demand for amounts owing to them of approximately RM1.6 million until the resources permit; and
- (e) Letter of financial support from a substantial shareholder who has agreed to provide up to S\$5.0 million for the Group to meet its liabilities and its normal operating expenses as and when required.

Barring any unforeseen circumstances, the Board is of the opinion that the Group should be able to meet its working capital commitments for the next 12 months and the Group's financial statements be prepared on a going concern basis.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segmental and revenue information

The Group's reportable segments were identified as follows:

Continuing Operations consist of:

- Corporate – investment holding activities
- Healthcare – postpartum care and chiropractic & physiotherapy services.
- Outsourced Services – human resource recruitment and payroll, event management, information technology and other outsourced support services

Discontinued Operations consist of:

- Exploration & Production – IEV Energy Investment Pte Ltd under voluntary liquidation and struck off on 28 December 2021
- Healthcare – HealthPro Pte Ltd placed under creditors' liquidation

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable Segments

The segment analysis on the Group's results for three months ended 30 June 2022 ("2Q2022") and 30 June 2021 ("2Q2021") are as follows:-

	Continuing Operations						Discontinued Operations				Combined	
	Healthcare		Corporate		Outsourced Services		Exploration & Production		Healthcare		2Q2022 RM'000	2Q2021 RM'000
	2Q2022 RM'000	2Q2021 RM'000	2Q2022 RM'000	2Q2021 RM'000	2Q2022 RM'000	2Q2021 RM'000	2Q2022 RM'000	2Q2021 RM'000	2Q2022 RM'000	2Q2021 RM'000		
REVENUE												
Total Sales	134	302	-	-	599	-	-	-	-	-	733	302
Inter-segment sales	-	-	-	-	(19)	-	-	-	-	-	(19)	-
External sales	134	302	-	-	580	-	-	-	-	-	714	302
RESULTS												
Segment results	(793)	(2,291)	(375)	(603)	9	-	-	-	-	(2,095)	(1,159)	(4,989)
Finance costs	(7)	(3)	(77)	(126)	(2)	-	-	-	-	(78)	(86)	(207)
	(800)	(2,294)	(452)	(729)	7	-	-	-	-	(2,173)	(1,245)	(5,196)
Taxation											-	-
Loss for the Year											(1,245)	(5,196)
Loss attributable to												
- owners of the parent											(1,245)	(5,196)
- non-controlling interest											-	-
Profit/(Loss) for the Year											(1,245)	(5,196)
Depreciation of property, plant and equipment	(8)	(22)	(7)	-	-	-	-	-	-	(2)	(15)	(24)
Depreciation of right-of-use asset	-	-	(68)	(16)	(53)	-	-	-	-	(1,370)	(121)	(1,386)

	Continuing Operations						Discontinued Operations				Combined	
	Healthcare		Corporate		Outsourced Services		Exploration & Production		Healthcare			
	2Q2022 RM'000	2Q2021 RM'000	2Q2022 RM'000	2Q2021 RM'000	2Q2022 RM'000	2Q2021 RM'000	2Q2022 RM'000	2Q2021 RM'000	2Q2022 RM'000	2Q2021 RM'000	2Q2022 RM'000	2Q2021 RM'000
Impairment of goodwill	-	(1,840)	-	-	-	-	-	-	-	-	-	(1,840)
Loss on termination of lease	-	-	-	-	(3)	-	-	-	-	-	(3)	-

The segment analysis on the Group's results for six months ended 30 June 2022 ("HY2022") and 30 June 2021 ("HY2021") are as follows:-

	Continuing Operations						Discontinued Operations				Combined	
	Healthcare		Corporate		Outsourced Services		Exploration & Production		Healthcare			
	HY2022 RM'000	HY2021 RM'000	HY2022 RM'000	HY2021 RM'000	HY2022 RM'000	HY2021 RM'000	HY2022 RM'000	HY2021 RM'000	HY2022 RM'000	HY2021 RM'000	HY2022 RM'000	HY2021 RM'000
REVENUE												
Total sales	257	409	-	-	1,109	-	-	-	-	-	1,366	409
Inter-segment sales	-	-	-	-	(32)	-	-	-	-	-	(32)	-
External sales	257	409	-	-	1,077	-	-	-	-	-	1,334	409
RESULTS												
Segment results	(1,468)	(2,698)	(797)	(1,263)	(123)	-	-	(14)	-	(3,845)	(2,388)	(7,820)
Finance costs	(34)	(3)	(142)	(175)	(6)	-	-	-	-	(173)	(182)	(351)
Taxation	(1,502)	(2,701)	(939)	(1,438)	(129)	-	-	(14)	-	(4,018)	(2,570)	(8,171)
Loss for the Year											(2,570)	(8,171)
Loss attributable to												
- owners of the parent											(2,570)	(8,171)
- non-controlling interest											-	-
Profit/(Loss) for the Year											(2,570)	(8,171)
Depreciation of property, plant and equipment	(17)	(35)	(7)	-	(1)	-	-	-	-	(2)	(25)	(37)
Depreciation of right-of-use asset	-	-	(133)	(16)	(131)	-	-	-	-	(2,719)	(264)	(2,735)
Impairment of goodwill	-	(1,840)	-	-	-	-	-	-	-	-	-	(1,840)
Loss on termination of lease	-	-	-	-	(3)	-	-	-	-	-	(3)	-

4.1 Reportable Segments (cont'd)

The segment analysis on the Group's assets and liabilities as at 30 June 2022 and 31 December 2021 are as follows:-

Group	Continuing Operations						Discontinued Operations				Combined	
	Healthcare		Corporate		Outsourced Services		Exploration & Production		Healthcare		As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000		
Assets												
Segment assets	1,557	1,913	218	426	1,459	1,691	-	-	-	-	3,234	4,030
Sub-Total	1,557	1,913	218	426	1,459	1,691	-	-	-	-	3,234	4,030
Unallocated assets											-	-
Consolidated total assets											3,234	4,030
Liabilities												
Segment liabilities	5,440	5,030	4,831	3,245	1,599	1,647	-	-	-	-	11,870	9,922
Sub-Total	5,440	5,030	4,831	3,245	1,599	1,647	-	-	-	-	11,870	9,922
Unallocated liabilities											34	37
Consolidated total liabilities											11,904	9,959

4.2 Disaggregation of revenue

<u>Group</u>	3 months ended 30 June ("2Q")			6 months ended 30 June ("HY")		
	2Q2022 RM'000	2Q2021 RM'000	Change +/(-)%	HY2022 RM'000	HY2021 RM'000	Change +/(-)%
Continuing operations (Healthcare Sector)						
Rendering of confinement centre services – Over time	97	246	(60.6)	190	351	(45.9)
Rendering of permanent placement services – Over time	403	-	n.m.	696	-	n.m.
Rendering of human resource and payroll services – Over time	177	-	n.m.	381	-	n.m.
Rendering of chiro & physio services – Point in time	18	4	350.0	35	4	775.0
Sale of related products – Point in time	19	52	(63.5)	32	54	(40.7)
	<u>714</u>	<u>302</u>	<u>136.4</u>	<u>1,334</u>	<u>409</u>	<u>226.2</u>

4.3 Geographical Segment

The following table shows the distribution of the Group's combined sales based on geographical location of customers.

<u>Group</u>	3 months ended 30 June ("2Q")		6 months ended 30 June ("HY")	
	2Q2022 RM'000	2Q2021 RM'000	HY2022 RM'000	HY2021 RM'000
<u>Continuing operations</u>				
Malaysia	185	302	404	409
Singapore	529	-	930	-
Revenue from continuing operations	<u>714</u>	<u>302</u>	<u>1,334</u>	<u>409</u>
<u>Discontinued operations</u>				
Revenue from discontinued operations	-	-	-	-
Total revenue	<u>714</u>	<u>302</u>	<u>1,334</u>	<u>409</u>

5. Loss before tax

Loss for the financial period from continuing operations is arrived after charging the following:

<u>Group</u>	3 months ended 30 June ("2Q")			6 months ended 30 June ("HY")		
	2Q2022 RM'000	2Q2021 RM'000	Change +/(-)%	HY2022 RM'000	HY2021 RM'000	Change +/(-)%
Interest expense	(86)	(129)	(33.3)	(182)	(178)	2.2
Depreciation of property, plant and equipment	(15)	(22)	(31.8)	(25)	(35)	(28.6)
Depreciation of right-of-use asset	(121)	(16)	656.2	(264)	(16)	n.m.
Loss on termination of lease	(3)	-	n.m.	(3)	-	n.m.
Impairment of goodwill	-	(1,840)	n.m.	-	(1,840)	n.m.

6. Discontinued operations

Financial statements for 2Q2021 and HY2021 have been presented after:

- (i) reclassifying HealthPro Pte Ltd under discontinued operations after placing it under provisional liquidation on 29 July 2021. The voluntary liquidation of HealthPro Pte Ltd and appointment of a liquidator was approved at an extraordinary general meeting and a meeting of creditors on 27 August 2021;
- (ii) the exit from the exploration and production sector as announced on 10 January 2018 and 13 September 2019 in relation to the member's voluntary liquidation of PT IEV Pabuaran KSO, which was completed on 11 January 2021; and
- (iii) striking off of IEV Energy Investment Pte Ltd which was completed on 28 December 2021.

Results of the discontinued operations are as follow:

<u>Group</u>	3 months ended			6 months ended		
	30 June ("2Q")			30 June ("HY")		
	2Q2022	2Q2021	Change	HY2022	HY2021	Change
	RM'000	RM'000	+/(-)%	RM'000	RM'000	+/(-)%
<u>Discontinued operations</u>						
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other operating income	-	102	n.m.	-	128	n.m.
Administrative expenses	-	(2,196)	n.m.	-	(3,987)	n.m.
Exchange gain	-	(1)	n.m.	-	-	n.m.
Finance cost	-	(78)	n.m.	-	(173)	n.m.
Loss before tax	-	(2,173)	n.m.	-	(4,032)	n.m.
Income tax	-	-	-	-	-	-
Loss for the period from discontinued operations	-	(2,173)	n.m.	-	(4,032)	n.m.

Loss for the financial period from discontinued operations is arrived after charging the following:

<u>Group</u>	3 months ended			6 months ended		
	30 June ("2Q")			30 June ("HY")		
	2Q2022	2Q2021	Change	HY2022	HY2021	Change
	RM'000	RM'000	+/(-)%	RM'000	RM'000	+/(-)%
Interest expense	-	(78)	n.m.	-	(173)	n.m.
Depreciation of property, plant and equipment	-	(2)	n.m.	-	(2)	n.m.
Depreciation of right-of-use asset	-	(1,370)	n.m.	-	(2,719)	n.m.

7. Trade receivables

	Company		Group	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Third parties	-	-	1,272	643
Provision for doubtful debts – trade	-	-	(149)	(149)
	-	-	1,123	494

The trade receivables are derived from the outsourced services segment. Management applied the "simplified approach" for assessing expected credit losses for trade receivables from third parties. Under the simplified approach, the Group's management developed a provision matrix using historical credit loss rates adjusted with forward looking information to reflect the effects of the current and future economic conditions, economic factors impacted by COVID-19 pandemic. The main factors considered in determining the lifetime expected credit losses for these customers are debts past due more than 6 months and there was currently uncertainty over the recoverability of the debts. There is no provision for doubtful debts for the financial period in review.

8. Other receivables and prepayments

	Company		Group	
	As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)	As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)
Deposits	-	-	511	620
Prepayments	14	22	33	78
Accrued revenue	-	-	74	72
Cost recoverable from clients	-	-	200	196
Amount owing by subsidiaries	892	131	-	-
Others	-	-	4	2
	906	153	822	968

9. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired property, plant and equipment amounting to RM85,000 (30 June 2021: RM67,000) comprising mainly office renovations and office equipment.

10. Right-of-use assets

<u>Group</u>	Office unit RM'000	Confinement centre RM'000	Integrated units RM'000	Total RM'000
Cost:				
At 1 January 2021	-	13,216	-	13,216
Additions	385	1,752	794	2,931
Disposal of subsidiaries	-	(13,165)	-	(13,165)
Currency translation difference	2	(51)	1	(48)
At 31 December 2021	387	1,752	795	2,934
Additions	-	-	-	-
Currency translation difference	2	-	3	5
At 30 June 2022	389	1,752	798	2,939
Accumulated depreciation:				
At 1 January 2021	-	5,819	-	5,819
Depreciation for the year	77	3,258	159	3,494
Disposal of subsidiaries	-	(8,541)	-	(8,541)
Currency translation difference	-	(5)	-	(5)
At 31 December 2021	77	531	159	767
Depreciation for the period	131	-	133	264
Currency translation difference	(4)	-	(8)	(12)
At 30 June 2022	204	531	284	1,019
Impairment:				
At 1 January 2021	-	-	-	-
Impairment during the year	-	1,221	-	1,221
At 31 December 2021	-	1,221	-	1,221
Impairment during the period	-	-	-	-
At 30 June 2022	-	1,221	-	1,221
Termination of a lease:				
At 1 January 2021	-	-	-	-
Termination of a lease	185	-	-	185
At 30 June 2022	185	-	-	185

<u>Group</u>	Office unit RM'000	Confinement centre RM'000	Integrated units RM'000	Total RM'000
Carrying amount:				
At 30 June 2022	-	-	514	514
At 31 December 2021	310	-	636	946

11. Intangible Assets

During the 12 months ended 31 December 2021, the Group has launched a genetic screening service for Malaysia and Singapore markets under the brand name, Qodify where the intangible asset represents the purchase of brand name and internet platform from Malaysia Genomics Resources Berhad, a listed company in Malaysia. The aforementioned intangible assets are not ready for use. Hence, no amortisation of intangible assets was recorded for the current financial period.

12. Other payables and other provisions

	<u>Company</u>		<u>Group</u>	
	As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)	As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)
Amount owing to directors	333	-	2,303	1,279
Service tax payable	-	-	5	3
Accruals	969	546	2,153	1,129
Other payables	903	293	2,963	2,426
Others	-	-	10	23
	<u>2,205</u>	<u>839</u>	<u>7,434</u>	<u>4,860</u>

The amount owing to Directors of the Company relate to reimbursable disbursements incurred for business use and are repayable on demand.

13. Borrowings

In relation to the aggregate amount of the Group's borrowings and debt securities, the following are convertible loans outstanding at the end of the financial period reported on with comparative figures as at the end of the immediately preceding financial year.

<u>Group and Company</u>	<u>Convertible Loan (RM'000)</u>
At 1 January 2021	-
Proceeds from issue of convertible loans	6,954
Convertible loan amount classified as equity	(367)
Accumulated interest	794
Currency translation difference	2
Conversion of convertible loan to ordinary shares	(4,945)
At 31 December 2021	<u>2,438</u>
Accumulated interest	126
Currency translation difference	62
At 30 June 2022	<u>2,626</u>
Amount repayable in one year or less, or on demand	2,626
Amount repayable after one year	<u>-</u>

Note: Convertible loans include accrued interests and recorded at fair value of the liability component. The fair value of the liability component is calculated using a market interest rate for an equivalent non-convertible loan at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves

Details of Convertible Loans

On 29 January 2021, the Company had entered into 1-year unsecured convertible loan agreements with 5 lenders, for an aggregate principal amount of S\$2.25 million. The maturity date is 12 months from the date of disbursement of the loan. The convertible loan bears an interest rate of 10.0% per annum. At the option of the lenders, these loans are convertible into 56,532,663 ordinary shares in the Company at the conversion price of S\$0.0398 per ordinary share on 3 specified dates (i.e. 30 June 2021, 30 September 2021 and/or 31 December 2021). Please refer to the Company's announcement dated 29 January 2021, 4 February 2021, 1 April 2021 and 12 April 2021 for more information.

As at 31 December 2021, S\$2.25 million of the convertible loans has been received by the Group and the Company received a Conversion Notice from I Concept Global Growth Fund ("I Concept") to convert a loan principal sum of S\$1.6 million ("Conversion Amount") into new ordinary shares in the Company. Accordingly, the Company has on 31 December 2021 allotted and issued 40,201,005 new ordinary shares of the Company at S\$0.0398 per ordinary share in favour of I Concept. Please refer to the Company's announcement dated 31 December 2021 for more information.

14. Lease liabilities

The Group as lessee:

Group	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Lease Liabilities		
Maturity analysis:		
Year 1	1,140	1,444
Year 2	629	1,191
Year 3	-	-
	1,769	2,635
Less: Unearned interest	(69)	(118)
	1,700	2,517
Analysed as:		
Current	1,081	1,358
Non-current	619	1,159
	1,700	2,517

15. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Company		Group	
	As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)	As at 30 June 2022 RM'000 (Unaudited)	As at 31 December 2021 RM'000 (Audited)
Financial Assets				
Financial assets at amortised cost	217	549	2,229	2,603
Financial Liabilities				
Financial liabilities at amortised cost	2,205	839	7,539	4,946
Borrowings	2,626	2,437	2,626	2,438
Lease liabilities	-	-	1,700	2,517

Financial assets consist of cash and bank balances, trade and other receivables, excluding prepayments, prepaid leases, tax recoverable and value-added tax receivables. Financial liabilities consist of convertible loans, trade and other payables and advances from a related party excluding value-added tax payables, withholding tax and income tax payable.

16. Subsequent events

On 19 July 2022, the Company issued and allotted 44,247,788 new Company ordinary shares at an issue price of S\$0.0113 for each ordinary share for a cash consideration of S\$0.5 million.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

1. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Resultant issued and paid-up share capital (S\$)
Issued and paid-up share capital of the Company as at 31 December 2021 (excluding treasury shares)	552,768,971	49,391,018
Issuance of new ordinary shares	-	-
Issued and paid-up share capital of the Company as at 30 June 2022 (excluding treasury shares)	552,768,971	49,391,018

On 29 January 2021, the Company had entered into 1-year unsecured convertible loan agreements with 5 lenders, for an aggregate principal amount of S\$2.25 million. The maturity date is 12 months from the date of disbursement of the loan. The convertible loan bears an interest rate of 10.0% per annum. At the option of the lenders, these loans are convertible into 56,532,663 ordinary shares in the Company ("**Conversion Shares**") at the conversion price of S\$0.0398 per ordinary share on 3 specified dates (i.e. 30 June 2021, 30 September 2021 and/or 31 December 2021). Please refer to the Company's announcement dated 29 January 2021, 4 February 2021, 1 April 2021 and 12 April 2021 for more information. As at 31 December 2021, the Company received a Conversion Notice from I Concept Global Growth Fund ("**I Concept**") to convert a loan principal sum of S\$1.6 million into new ordinary shares in the Company. Accordingly, the Company has on 31 December 2021 allotted and issued 40,201,005 new ordinary shares of the Company at S\$0.0398 per ordinary share in favour of I Concept. Please refer to the Company's announcement dated 31 December 2021 for more information.

Save as discussed above, there were no outstanding convertibles, share options or subsidiary holdings as at 30 June 2022. There were no outstanding convertibles, share options or subsidiary holdings as at 30 June 2021.

The total number of treasury shares as at 30 June 2022 and 31 December 2021 are presented below:

	As at 30 June 2022	As at 31 December 2021
Total number of treasury shares	200,000	200,000
Total number of ordinary shares	552,768,971	552,768,971
% of treasury shares over total number of ordinary shares	0.04%	0.04%

2. To show the total number of issued shares excluding treasury shares at the end of the current financial period and as at the end of the immediately preceding financial year

	As at 30 June 2022	As at 31 December 2021
Number of issued shares of the Company	552,968,971	552,968,971
Share buy-backs held as treasury shares	(200,000)	(200,000)
Number of issued shares excluding treasury shares	552,768,971	552,768,971

3. A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and /or use of treasury shares as at 30 June 2022.

4. A statement showing all sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and / or use of subsidiary holdings as at 30 June 2022.

**5. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:
a) Updates on the efforts taken to resolve each outstanding audit issue.
b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Please refer to Section E paragraph 2.4 for the Board's comments on going concern.

Further the Board is of the opinion that sufficient information has been disclosed for the trading of the Company's securities to continue in an orderly manner and the Board is not aware of any material information that requires disclosure but remains undisclosed as of the date of this announcement.

6. Earnings/(Loss) per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Group	2Q2022 (Malaysia sen)	2Q2021 (Malaysia sen)	HY2022 (Malaysia sen)	HY2021 (Malaysia sen)
Loss per ordinary share for the period based on the net loss attributable to shareholders of the Company:				
(i) Basic				
- from continuing operations	(0.23)	(0.59)	(0.46)	(0.83)
- from discontinued operations	-	(0.43)	-	(0.80)
	(0.23)	(1.02)	(0.46)	(1.63)
(ii) On a fully diluted basis	(0.23)	(1.02)	(0.46)	(1.63)
Weighted average number of ordinary shares	552,768,971	509,972,137	552,768,971	501,474,740

Basic and diluted loss per ordinary share have been computed based on the Group's loss attributable to owners of the parent and the weighted average number of ordinary shares in issue during the respective periods.

The basic and fully diluted loss per ordinary share for 2Q2022 and 2Q2021, HY2022 and HY2021 were the same as there were no potentially dilutive ordinary shares existing during 2Q2022 and 2Q2021, HY2022 and HY2021 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Net asset value per ordinary share (Malaysian sen)	
	As at 30 June 2022	As at 31 December 2021
Group	(1.6)	(1.1)
Company	0.3	0.5

Net asset value per ordinary share as at 30 June 2022 and 31 December 2021 have been calculated based on the aggregate number of ordinary shares of 552,768,971 as at the respective dates, excluding treasury shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Statement of Comprehensive Income

Breakdown by business segments

Three Months ended 30 June 2022 and 30 June 2021

Business segment	2Q2022			2Q2021		
	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %
<u>Continuing Operations</u>						
Healthcare services	134	17	12.7	302	67	22.2
Outsourced services	580	190	32.8	-	-	-
Total	714	207	29.0	302	67	22.2

Six Months ended 30 June 2022 and 30 June 2021

Business segment	HY2022			HY2021		
	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %
<u>Continuing Operations</u>						
Healthcare services	257	3	1.2	409	66	16.1
Outsourced services	1,077	283	26.3	-	-	-
Total	1,334	286	21.4	409	66	16.1

Continuing Operations

Revenue

Revenue for the Group in 2Q2022 increased by 136.4% to RM0.7 million from RM0.3 million in 2Q2021 due mainly to the acquisition of back-office support service companies ("**Outsourced Services**"), Impact BPO Services Pte Ltd ("**Impact SG**") in Singapore and Impact BPO Sdn Bhd ("**Impact MY**") in Malaysia on 1 October 2021. Outsourced Services include human resource recruitment and payroll, event management and information technology services. Healthcare services from the postpartum centre in Petaling Jaya Malaysia ("**PJ Confinement Centre**") reported a 55.6% decline in 2Q2022 revenue of RM134 thousand from RM302 thousand in 2Q2021 due mainly to stiff competition for postpartum services in the Klang Valley and promotional pricing to garner bookings during the quarter in review. For the same reasons, the Group's revenue for HY2022 increased by 226.2% to RM1.3 million from RM0.4 million in HY2021.

Gross Profit

The Group's gross profit for 2Q2022 increased by 209.0 % to RM207 thousand from the gross profit of RM67 thousand for 2Q2021 due mainly to the Outsourced Services segment, which generated gross profit of RM190 thousand during 2Q2022. Healthcare services reported a gross profit of RM17 thousand in 2Q2022, a decline of 74.6% from a gross profit of RM67 thousand in 2Q2021, due mainly to competition for postpartum services in the Klang Valley and associated promotional pricing to garner bookings. Similarly for HY2022, gross profit increased by 333.3% to RM286 thousand from gross profit of RM66 thousand for HY2021.

Further due to reasons explained earlier, gross profit margin from Healthcare Services for 2Q2022 was 12.7% compared to 22.2% for 2Q2021. For Outsourced Services, the gross profit margin was 32.8% for 2Q2022. Gross profit margin for HY2022 increased to 21.4% from 16.1% for HY2021 mainly arising from the gross profit margin of 26.3% of Outsourced services compared to 1.2% for Healthcare services.

Other Operating Income

The Group reported other operating income for 2Q2022 of RM136 thousand compared to nil for 2Q2021, for which (i) RM98 thousand were rental rebates for the planned Mines2 confinement centre and (ii) RM38 thousand were from government

subsidies arising from government restrictions on business activities to address the Covid-19 pandemic. Similarly, other operating income for HY2022 of RM287 thousand comprised mainly of (i) RM210 thousand of rental rebates for the Mines2 confinement centre and (ii) RM76 thousand of Covid-19 related government subsidies. Other operating income of RM3 thousand recorded for HY2021 was from government subsidies related to the Covid-19 pandemic.

Administrative Expenses

Administrative expenses in 2Q2022 increased by 23.4% to RM1.4 million from RM1.1 million in 2Q2021 due mainly to: (i) increase in manpower and overheads of RM0.2 million from the acquisition of Impact SG and Impact MY during the fourth quarter of 2021; (ii) increase in depreciation of right-of-use assets of RM0.1 million in relation to leases on office spaces for corporate use in Singapore and Malaysia that were entered into in the second quarter of 2021; and (iii) corporate manpower costs of RM0.2 million that in 2Q2021 was previously recorded in HealthPro Pte Ltd that was placed under provisional liquidation on 29 July 2021 and thus reclassified as under discontinued operations. These increases in administrative expenses are partially offset by a RM0.1 million reduction in manpower cost from Healthcare services due to a headcount reduction. Depreciation of property, plant and equipment (“PPE”) for 2Q2022 decreased by 31.8% to RM15 thousand from RM22 thousand in 2Q2021 due to impairment of PPE related to the postpartum business during FY2021.

Administrative expenses in HY2022 increased by 34.4% to RM2.9 million from RM2.1 million in HY2021 due mainly to (i) increase in manpower and overheads of RM0.4 million from the acquisition of Impact SG and Impact MY during the fourth quarter of 2021; (ii) increase in depreciation of right-of-use assets of RM 0.3 million in relation to leases of office spaces in Singapore and Malaysia that were entered into in the second quarter of 2021 and (iii) corporate manpower costs of RM0.2 million that in 2Q2021 was previously recorded in HealthPro Pte Ltd that was placed under provisional liquidation on 29 July 2021 and thus reclassified as under discontinued operations. These increases in administrative expenses are partially offset by (i) RM0.2 million reduction in manpower cost from Healthcare services due to a headcount reduction and (ii) one-off RM0.2 million of legal and corporate costs for the issuance of convertible loans and the disposal of IEV Group Sdn Bhd that were incurred in HY2021 but not in HY2022. Depreciation of PPE for HY2022 decreased by 28.6% to RM25 thousand from RM35 thousand in HY2021 due to impairment of PPE related to the postpartum business during FY2021.

Exchange Gain/Loss

The Group recorded an exchange loss of RM147 thousand in 2Q2022 compared to an exchange loss of RM17 thousand in 2Q2021. For HY2022, the Group recorded an exchange loss of RM105 thousand compared to an exchange loss of RM59 thousand for HY2021. The exchange losses for 2Q2022 and HY2022 were due to a strengthening Singapore Dollar against Malaysia Ringgit thereby increasing the costs of other payables that are denominated in Singapore Dollar.

Other Operating Expenses

Other operating expenses of RM 3 thousand for 2Q2022 and HY2022 is in relation to, as a cost reduction measure, the early termination of an office lease in Singapore that was previously leased for Outsourced services. In comparison, other operating expense of RM1.8 million for 2Q2021 and HY2021 was due to an impairment of goodwill in view of delayed expansion plans and opening of the Group’s postpartum care centres in Malaysia as a result of Covid-19 pandemic induced suspension of various business activities. Additionally, plans for a large postpartum centre on Hendon Road, Singapore had been discontinued, being no longer commercially viable.

Finance Costs

Finance costs for 2Q2022 decreased by 33.3% to RM86 thousand from RM129 thousand for 2Q2021 due mainly to conversion of convertible loans with aggregate principal of S\$1.6 million into ordinary shares in the Company during FY2021. Finance cost for HY2022 marginally increased by 2.2% to RM182 thousand from RM178 thousand for HY2021 due mainly to additional finance cost of RM53 thousand from finance lease obligations which was partially offset by a reduction in finance cost of RM49 thousand for convertible loans due to the aforementioned conversion of convertible loans.

Loss Before Tax

For the reasons set out above, the Group recorded a loss before tax of RM1.2 million for 2Q2022 compared to a loss before tax of RM3.0 million for 2Q2021. For HY2022, the Group recorded a loss before tax of RM2.6 million compared to a loss before tax of RM4.1 million for HY2021.

Discontinued Operations

There was no loss from discontinued operations in 2Q2022 and HY2022. Loss before tax from discontinued operations of RM2.2 million for 2Q2022 and RM4.0 million for HY2022 was related to the voluntary liquidation of HealthPro Pte Ltd. The loss for HY2022 were due to administrative expenses incurred by Healthpro Pte Ltd mainly for (i) depreciation of right-of-use assets of RM2.7 million for the lease of a commercial property, (ii) manpower costs of RM0.7 million and (ii) professional and consultancy services of RM0.5 million.

Review of Statement of Financial Position

Current Assets

The Group's trade receivables increased to RM1.1 million as at 30 June 2022 from RM0.5 million as at 31 December 2021 due mainly to the addition of receivables from Outsourced Services. The Group's current portion of other receivables and prepayments decreased by RM0.2 million to RM0.8 million as at 30 June 2022 compared to RM1.0 million as at 31 December 2021 due mainly to reduction of deposits for the termination of an office lease.

Non-Current Assets

Property plant and equipment ("**PPE**") marginally increased to RM218 thousand as at 30 June 2022 from RM157 thousand as at 31 December 2021 due mainly to renovation works of RM78 thousand for a corporate office in Malaysia and partially offset by depreciation charges of RM25 thousand for HY2022. Right-of-use ("**ROU**") assets reduced by RM0.4 million to RM0.5 million as at 30 June 2022 from RM0.9 million as at 31 December 2021 due mainly to depreciation charges of RM0.3 million for office space leases in Singapore and Malaysia and reduction of RM0.2 million on the early termination of an office lease in Singapore. Intangible assets of RM0.2 million as at 30 June 2022 and 31 December 2021 relates to the acquisition of an e-Commerce platform to support the marketing and sales of the DNA profiling product "Qodify".

Capital and Reserves

Share capital of the Company and the Group was RM126.1 million as at 30 June 2022 and 31 December 2021. The Group's currency translation reserve as at 30 June 2022 was a deficit of RM0.1 million compared to a reserve of RM22 thousand as at 31 December 2021 due to the strengthening of the Singapore dollar during the period in review.

Accumulated losses for the Group increased by RM2.5 million to RM138.5 million as at 30 June 2022 from RM136.0 million as at 31 December 2021 due to the loss recorded for HY2022.

Non-Current Liabilities and Current Liabilities

Trade payables decreased to RM14 thousand as at 30 June 2022 from RM31 thousand as at 31 December 2021 due to settlement of payables. Other payables for the Group as at 30 June 2022 increased by RM2.5 million to RM7.4 million from RM4.9 million as at 31 December 2021 due mainly to (i) RM1.7 million in accruals for corporate expenses; (ii) the addition of RM0.2 million in accruals incurred by the Healthcare business; (iii) the addition of RM0.2 million in accruals incurred by the Outsourcing business; and (iv) currency translation of RM0.3 million on Singapore Dollar denominated payables. Borrowings comprising convertible loans increased by RM0.2 million to RM2.6 million as at 30 June 2022 from RM2.4 million as at 31 December 2021 due to interest charges for HY2022.

Current and non-current lease liabilities as at 30 June 2022 decreased by RM0.8 million to RM1.7 million from RM2.5 million as at 31 December 2021 due mainly to (i) net lease payments of RM0.6 million and (ii) reduction of RM0.2 million from early termination of an office lease in Singapore.

Review of Statement of Cash Flows

For 2Q2022 the Group's net cash generated from operating activities was RM0.5 million. This was mainly due to an increase in trade and other payables of RM1.7 million; which was partially offset by (i) operating loss before working capital changes of RM1.0 million; and (ii) increase in trade and other receivables of RM0.2 million. Net cash used in investing activities of RM58 thousand for 2Q2022 was for the acquisition of property, plant and equipment related to office renovations. Net cash used in financing activities of RM0.4 million for 2Q2022 were mainly for repayment of lease liabilities.

For HY2022, the Group used RM0.1 million in operating activities, mainly due to (i) RM2.1 million in operating loss before working capital changes and (ii) RM0.5 million increase in trade and other receivables; which were partially offset by RM2.4 million increase in trade and other payables. Net cash used in investing activities of RM85 thousand for HY2022 was for the acquisition of property, plant and equipment related to office renovations. Net cash used in financing activities of RM0.7 million for HY2022 was for repayment of lease liabilities.

As a result of the above, the cash and bank balances was RM0.3 million as at 30 June 2022, compared to RM1.1 million as at 30 June 2021.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trend competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

HEALTHCARE BUSINESS OVERVIEW

a) Malaysia

Since opening of international borders to non-Malaysians on 1 May 2022, all economic sectors in Malaysia have now resumed operations. However, labour shortages and the recent inflation has made economic recovery more challenging. Despite the challenges, the Group remains cautiously optimistic on the future prospects of the Healthcare Business, especially with the heightened public awareness on the need for good hygiene practices. Furthermore, the Group has been diligently maintaining the high quality of its postpartum care and complimentary treatment services, and at the same time, keeping a look out for opportunities within this sector.

b) Singapore

Singapore opened its doors to travellers since 1 April 2022, and is experiencing the same challenges as Malaysia, ie. labour shortages and inflation. However, the Group will continue to look out for viable opportunities in the healthcare and wellness space in Singapore.

OUTSOURCED SERVICES OVERVIEW

With the recent labour shortages, more businesses have given greater consideration to use outsource services such as recruitment and payroll processing, as they focus on revenue-generating activities. Our Outsourced service business is currently experiencing steady monthly growth and the Group will expand its offerings to cater to this segment, with a focus on the healthcare segment.

BUSINESS SEGMENT DEVELOPMENTS

i) Postpartum Care Centres

The PJ Confinement Centre at SS2 Petaling Jaya, Malaysia, continues to operate despite the current Covid-19 pandemic in Malaysia and at a very encouraging capacity. It has received bookings up to fourth quarter of 2022.

With regards to the Mines2 Confinement Centre in the Klang Valley region, Malaysia, we are still awaiting approval from local authority for renovation works. We expect to start renovations as soon as we received the said approval, and the renovation works is expected to take 6 months to complete.

ii) Chiropractic & Physiotherapy

The Group is currently operating its first chiropractic and physiotherapy centre at the PJ Confinement Centre since September 2021, under the brand name, 'Back To Life' ("BTL"). The month-on-month results have been promising and growing. The second BTL centre in Petaling Jaya, Malaysia is still in the midst of setting up and expect to commence operations in August 2022. We are currently on the look out for more locations as we anticipate to set up an additional 2 centres before year end. An integrated BTL centre is also being planned within the Mines2 Confinement Centre, and renovation shall proceed in line with the renovation of the confinement centre.

Chiropractic and physiotherapy services have been heavily sought after in Malaysia for some time and demand is expected to continue to grow for the foreseeable years ahead. The rising trend of an active and sporting lifestyle amongst the young

and old has significantly contributed to the high demand for such services. Thus, many new and standalone centres have opened in major population catchment areas to meet market demand.

iii) DNA Profiling

Given the awareness and shift of emphasis towards health and wellbeing being in the midst of the Covid-19 pandemic, there has been an increase in demand for DNA profiling. Our DNA profiling has the ability to provide individual insights into their genetic profile, including whether an individual has a predisposition, or is at an increased likelihood, of having an inherited disease or disorder. The Group launched its e-commerce website for DNA profiling product “Qodify” in third quarter of 2021 and are now focused on creating awareness and marketing of the product to the Malaysia and Singapore. The Group plans to expand sales of Qodify to more countries within the region once presence in Malaysia and Singapore is established.

iv) Covid-19 Antibody Test Kit

The Group is in the midst of applying for approval from the respective government agencies in Singapore and Malaysia to commence distribution of these products and expects to commence marketing and distribution in once we received the necessary approvals. We are also expanding the market for the use of the Dry Fluorescence Immunoassay Analyser to cover tests beyond Covid-19 antibody tests such as diabetes, heart and hormonal conditions.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

No.

(b) Previous corresponding period/rate %

None.

12. If no dividend has been declared (recommended), a statement to that effect

There is no interim dividend recommended and declared by the Directors in respect of the current financial period ended 30 June 2022 as the Group recorded a loss from its continuing operations in HY2022.

13. Related party transactions and Interested Party Transaction (“IPT”). If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

Save for remuneration of directors and other members of key management during the financial period, there were no other related party transactions.

The Group does not have a general mandate from shareholders for interested person transactions (“IPTs”) pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “Catalist Rules”). There were no IPTs entered into during the financial period reported on which exceeds S\$100,000 in value.

14. Use of Proceeds from Share Subscription

Pursuant to Rule 1204(5)(f) of the Catalist Rules, the Board of Directors wishes to provide an update on the use of the proceeds arising from:

- (i) the entry into convertible loan agreements on 29 January 2021 for interest-bearing convertible loans (the “Convertible Loans”) of approximately S\$2.185 million (after deducting expenses of approximately S\$65,000 incurred by the Company in connection with the Convertible Loans) have been utilised as follows:

Use of Proceeds	Amount allocated (as announced on 29 January 2021) (S\$'000)	Amount utilised as at 31 July 2022 (S\$'000)	Balance of net proceeds (S\$'000)
(i) Renovation and refurbishment of postpartum and chiropractic centres	1,300	1,130	170
(ii) Working capital	885	885 ⁽¹⁾	-
Total	2,185	2,015	170

Note 1. Working capital utilisation has been for (i) rental for commercial leases S\$565 thousand; (ii) payment of professional fees of S\$70 thousand; and (iii) manpower and overheads of S\$250 thousand.

- (ii) the allotment and issuance of 44,247,788 ordinary shares at an issue price of S\$0.0113 per share in the capital of the Company through a share subscription exercise (the “**Share Subscription**”) that was completed on 19 July 2022. The net proceeds of approximately S\$0.485 million (after deducting expenses of approximately S\$15,000 incurred by the Company in connection with the Share Subscription) have been utilised as follows:

Use of Proceeds	Amount allocated (as announced on 1 July 2022) (S\$'000)	Amount utilised as at 31 July 2022 (S\$'000)	Balance of net proceeds (S\$'000)
(i) Settlement of outstanding convertible loans	165	165	-
(ii) Renovation and refurbishment of postpartum and chiropractic centres	70	10	60
(ii) Working capital	250	125 ⁽¹⁾	125
Total	485	300	185

Note 1. Working capital utilisation has been for (i) rental for commercial leases S\$20 thousand; (ii) payment of professional fees of S\$25 thousand; and (iii) manpower and overheads of S\$80 thousand.

15. Confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalist Rules

We, Low Koon Poh and Harry Ng, being Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the second quarter and half year ended 30 June 2022 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that all the required undertakings under the Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

ON BEHALF OF THE BOARD OF DIRECTORS

<p>LOW KOON POH EXECUTIVE CHAIRMAN & CEO</p>	<p>HARRY NG LEAD INDEPENDENT DIRECTOR</p>
--	---

Date: 12 August 2022

This announcement has been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “Sponsor”).

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms. Charmian Lim, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.